

***Provincial Retail Sales Tax Handbook*, J. R. Brown and J. S. Draffin, Toronto: Richard DeBoo, 1979, Pp. xix, 854. \$29.50 (paperback).**

The *Provincial Retail Sales Tax Handbook* is a compilation of the sales tax legislation, regulations and administrative interpretation bulletins of the nine provinces that impose a sales tax. The authors have compiled this material in one volume along with their own introductory notes and comments on various statutory provisions to serve as a guide for those who must work with the sales tax laws in the market place. The material is presented as it stood on June 30, 1979, however, unlike the income tax laws, it does not appear that the material will become as quickly outdated. Even so, a third edition is in preparation.

The book is not, nor was it intended to be, a definitive treatise on sales tax law. It does not purport to be an authoritative statement on the law. It is just the opposite. The reader is often forewarned by the authors not to rely on the *Handbook* when in doubt and that it may be necessary to approach the various provincial authorities to ensure proper tax compliance.<sup>1</sup> One is not apt to find passages from the book quoted in judgments nor useful in support of arguments with the various tax administrations.

The strength of such a Handbook must then lie in its organization for essentially it is a "cut and paste" manuscript. The material has been arranged in chapters by topic following the standard format of the sales tax acts: Liability and Valuation; Collection; Consumer Exemptions; Producer Exemptions; Special Purchases; Taxation of Services; Special Transactions; Construction Contracts; Refunds; and Administration and Audit. Each chapter begins with a short introductory statement by the authors of the nature of the problems dealt with by the legislation reproduced in that chapter and then the legislation of each jurisdiction is reproduced with a few comments by the authors where one province varies from the other provinces or where there is an administration interpretation on record. Sometimes, where there is an important case decided in that jurisdiction, reference is made to the decision. This approach inevitably has its advantages and its disadvantages. Each chapter puts the legislation in perspective with the other provinces. Comparisons are easily made and the short comings of one statute often stand out against the others. The matter of taxation of materials used in construction contracts is particularly well done.<sup>2</sup> It also means that it is relatively easy to find the legislation of any particular jurisdiction and any interpretations of that provincial authority. The major disadvantage of this approach is that if one is looking for the "loop holes" that one

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<sup>1</sup>Brown and Draffin, at 62-90.

<sup>2</sup>*Ibid.*, at 637.

assumes must exist somewhere in all tax legislation and it is just a matter of finding them, this book is not of much help. As already pointed out, when you are on the attack, you are guided to the opposition, the provincial tax authorities (whose addresses are printed on the back cover for your convenience) for assistance. Thus, the book does not really challenge the limitations of the legislation but is designed to enable one to stay within the spirit of it. To gain what insights that are to be found in the book, it is necessary to read all of the commentaries of all of the provinces. Needless to say, this can be somewhat repetitious, time consuming and could never be characterized as a stimulating activity. At one point in book, taxpayers are even advised to compare notes with other taxpayers within the province to ensure that the provincial policy is consistent.<sup>3</sup> It is hardly a novel idea nor can it be said to be truly informative.

The book, however, is not without its "tips for taxpayers". For example, under the heading "Special Transactions", the taxpayer is advised that rental or leases of taxable commodities are subject to retail sales tax and that when leasing goods if the expenses of insurance, maintenance, *etc.* are born by the lessee, the tax payable will be reduced.<sup>4</sup> Another "tip" relates to retailers shipping goods into the Province of Quebec. Many probably have heard of the tax avoidance scheme of having purchased goods in one province and having them shipped to another province. The goods not being consumed in the province where the sale takes place are not subject to tax in that jurisdiction. The goods are normally subject to tax in the jurisdiction where they are sent but the transaction is often not reported to the authorities and tax in this jurisdiction is evaded. For those retailers shipping goods to Quebec beware. Under the Quebec Act you cannot sue on the debt unless you are registered under that Act and this requires the collection and remittance of their sales tax.<sup>5</sup>

For the 300,000 vendors or registrants collecting provincial sales taxes in Canada, the book is a useful tool to enable them to comply with the sales tax laws. It should also serve to give them confidence in dealing with the public with regard to sales tax matters.

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<sup>3</sup>*Ibid.*, at 135.

<sup>4</sup>*Ibid.*, at 561.

<sup>5</sup>*Retail Sales Tax Act*, R.S.Q. 1972, c. 1-1, s. 41.

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